
UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN THE MATTER OF: : CHAPTER 11
JOY KIDDIE SHOPS, INC., : CASE #: 11-13126
Debtor-in-possession. :
JOY SHOE STORES, INC. : CASE #: 11-13127
Debtor-in-possession. :
JOY SHOES OF DEPTFORD, INC., : CASE #: 11-13128
Debtor-in-possession :

**APPLICATION IN SUPPORT OF MOTION FOR AN ORDER DIRECTING THE JOINT
ADMINISTRATION OF DEBTORS' CHAPTER 11 CASES PURSUANT TO FED. R. BANKR. P.
1015(b) AND GRANTING OTHER RELATED RELIEF**

The Application of Joy Kiddie Shops, Inc., Joy Shoe Stores, Inc., and Joy Shoes of Deptford, Inc the within debtors and debtors-in-possession, by way of Application state:

1. This Application seeks the entry of an Order Directing the Joint Administration of the Debtors' Chapter 11 Cases Pursuant to Fed. R. Bankr. P. 1015(b).
2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and § 157(b). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(a).
3. Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).
4. On April 19, 2011, Joy Kiddie Shops, Inc., Joy Shoe Stores, Inc., and Joy Shoes of Deptford, Inc. each filed a voluntary Petition for Relief under Chapter 11 of the Bankruptcy Code.
5. Since the filing of the Bankruptcy Petition, each of the above captioned debtors have remained in possession of their assets, continued the management of each of the businesses as debtors-in-possession pursuant to § 1107 and § 1108 of the Bankruptcy Code.

6. Joy Kiddie Shops, Inc. was founded in 1968 under the laws of the Commonwealth of Pennsylvania.

7. The business operates several retail shoe stores. The shareholders of the business are Stuart Gordon, Mark Gordon and Howard Sachs.

8. Joy Shoes of Deptford, Inc. is a Pennsylvania Corporation founded in 1977 under the laws of the Commonwealth of Pennsylvania. The sole shareholder of Joy Shoes of Deptford, Inc. is Joy Kiddie Shops, Inc.

9. Joy Shoe Stores of Deptford, Inc. operates a retail shoe store.

10. Joy Shoe Stores, Inc. was founded in 1970 under the laws of the Commonwealth of Pennsylvania. The sole shareholder of Joy Shoe Stores, Inc. is Joy Kiddie Shops, Inc.

11. The debtors respectfully request entry of an Order directing that their Chapter 11 cases be jointly administered pursuant to Fed. R. Bankr. P. 1015(b). Each of the debtors is an "affiliate" within the meaning of 11 U.S.C. § 101(2)(B). Under the circumstances of this case, joint administration will result in a more efficient and economical administration of these Chapter 11 cases than if they were administered separately.

12. The Bankruptcy Code defines affiliate in § 101(2) as follows:

(2) The term "affiliate" means—

(A) entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor, other than an entity that holds such securities—

(i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or

(ii) solely to secure a debt, if such entity has not in fact exercised such power to vote;

(B) corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor, or by an entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor, other than an entity that holds such securities—

(i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or

(ii) solely to secure a debt, if such entity has not in fact exercised such power to vote;

(C) person whose business is operated under a lease or operating agreement by a debtor, or person substantially all of whose property is operated under an operating agreement with the debtor; or
(D) entity that operates the business or substantially all of the property of the debtor under a lease or operating agreement.

13. In this particular case, Joy Shoes of Deptford, Inc. and Joy Shoe Stores, Inc. are wholly owned by Joy Kiddie Shops, Inc.

14. Fed. R. Bankr. P. 1015(b) provides as follows:

(b) Cases Involving Two or More Related Debtors. If a joint petition or two or more petitions are pending in the same court by or against (1) a husband and wife, or (2) a partnership and one or more of its general partners, or (3) two or more general partners, or (4) a debtor and an affiliate, the court may order a joint administration of the estates. Prior to entering an order the court shall give consideration to protecting creditors of different estates against potential conflicts of interest....

15. Further, the entities have operated as a single corporation.

16. Filing a single tax return for all three corporations and paying employees for all locations from the same account are two examples of this.

17. Under the circumstances it would be most efficient to consolidate the cases for administrative purposes.

18. In addition to being more efficient it is believed that the consolidation will not prejudice any creditors of the debtors' individual estates.

19. Consequently, it is respectfully requested that an Order be entered authorizing the joint administration of the Chapter 11 cases.

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